

Department of Community Health
FY 2006 Governor's Amended Budget Recommendation - Highlights

FY06 Appropriation HB#85 **\$9,350,909,388**

State Funds	\$ 2,201,858,248
Tobacco Funds	\$ 58,087,386
Indigent Care Trust Fund	\$ 148,828,880
Federal and Other Funds	\$ 6,942,134,874

FY06 Governor's Amended Budget Recommendation \$9,765,010,555

State Funds	\$ 2,240,485,249
Tobacco Funds	\$ 58,087,386
Indigent Care Trust Fund	\$ 167,059,344
Federal and Other Funds	\$ 7,299,378,576

Increased Funds - \$38,627,001 state funds for the Department

- Low Income Medicaid --- \$1,096,091 state funds increase
- Aged, Blind and Disabled Medicaid --- (\$446,050) reduction in state funds
- Health Care Access --- \$1,075 state funds increase (Workers Compensation adjustment)
- Administration and Program Support --- \$1,382,283 state funds increase
- Indigent Care Trust Fund --- \$37,534,195 state funds increase (CMO Provider Fee and DSH Support)
- Nursing Home Provider Fee --- (\$942,108) reduction in state funds

Attached Agencies (Workers Compensation adjustment)

- Georgia Board for Physician Workforce --- \$256 increase in state funds
- State Medical Education Board --- \$122 increase in state funds
- Composite Board of Medical Examiners --- \$1,137 increase in state funds

FY2006 Governor's Recommended DCH Amended Budget

The Governor recommended the Department to use the revenues generated through Medicaid efficiencies (\$207.2 million) to fund the following:

Medicaid Benefits

1. **Right from the Start Medicaid** services for pregnant women and children -- \$22 million (Total \$55.7 million)

2. **Loss of Upper Payment Limit Funds** for Medicaid Benefit services -- \$147 million (Total \$372.7 million)
3. **Federal Medicare Part D Clawback Provision** cost -- \$6.6 million (Total \$16.8 million)
4. **Cash to Accrual Adjustment**, cost to move from cash basis to accrual basis budget in order to make capitation payments to Care Management Organization (CMO) providers -- \$18.9 million (Total \$47.8 million)

Administration and Program Support – Health Access

5. **Right from the Start Medicaid** eligibility services previously funded with Disproportionate Share Hospital payments -- \$3.8 million (Total \$7.6 million)
6. **Contract (Enrollment Broker)** for assistance to the low income Medicaid population in the selection of a Care Management plan -- \$7 million (Total \$14 million)
7. **Contract** for verification of Medicaid eligibility by conducting review procedures -- \$1.9 million (Total \$3.7 million)

FY2006 Governor's Recommended DCH Amended Budget

The Governor recommended additional state funding (\$39.6 million)

Indigent Care Trust Fund

8. **Additional** state funds to recognize revenue from the Designated Quality Assessment Fee charged CMO providers and used to support care management -- \$21.6 million (Total \$54.6 million).
9. **Additional** state funds to support the Disproportionate Share Hospital (DSH) Program for private hospitals with uncompensated care -- \$14 million.
10. **Additional** state funds to provide operational support for Hughes Spalding Children's Hospital -- \$2 million.

Medicaid Benefits

11. **Additional** state funds transferred from the Department of Human Resources Community Services Adult Program to the DCH Low-Income Medicaid Program to implement Georgia Healthy Families which serve Medicaid clients who receive mental health services -- \$2 million

Administration and Program Support – Health Care Access

12. **Additional** state funds to increase personal services to reflect an adjustment in Workers' Compensation rates -- \$8,358 (\$16,769).

The Governor recommended a reduction in state funds (\$942,108) state funds

Nursing Home Provider Fee

13. **Reduce** state funds to reflect actual nursing home provider fee revenue projected for FY 2006 – (\$942,108) state funds (Total \$2.4 million).

FY2006 Governor's Recommended DCH Amended Budget

The Governor recommended redirection in state funds within the Department as follows:

14. **Redirect** \$825,000 in Medicaid Benefits from Low-income Medicaid (\$631,950) and Aged, Blind and Disabled Medicaid (\$193,050) to Administration and Support Program to fund additional costs associated with the Non-Emergency Transportation (NET) contract.
15. **Redirect** \$550,000 in Medicaid Benefits from Low-income Medicaid (\$297,000) and Aged, Blind and Disabled Medicaid (\$253,000) to Administration and Support Program to fund costs associated with Medicaid Modernization.

The Governor recommended adjusting the Department's budget to recognize projected other revenues to comply with program budgeting as follows:

16. **Reflect** additional revenue (\$232.1 million other funds) to the State Health Benefit Plan as a result of the employee and employer premium increase instituted in FY 2006 budget.
17. **Reflect** additional revenue (\$41.8 million other funds – Total \$113.1 million) from intergovernmental transfers received from hospitals for Disproportionate Share Hospital (DSH) program. This program supports hospitals with uncompensated care.
18. **Reflect** additional revenue (\$2.2 million other funds – Total \$5.6 million) from ambulance licensing fees in order to make payments to ambulance providers for ambulance services.

